

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, JULY 10, 2018, 9:30 A.M. CT**

**TABLE OF CONTENTS**

- A. Regular Session Agenda
- B. Minutes
- C. Monthly Financials
- D. Clausen and Rice, LLP Accounting Contract
- E. Treasurer Memo
- F. Executive Session Agenda
- G. Monthly Status Report
- H. Watch List
- I. Loan Review Summary
- J. Black Hills Fiberglass, LLC
- K. Dak-Lan, LLC
- L. South Dakota Jobs Program
  - 1. Masaba, Inc.
- M. Reinvestment Payment Program
  - 1. Applied Engineering, Inc.
  - 2. Crocker Wind Farm, LLC
  - 3. Graco Minnesota, Inc.
- N. Bills

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, JULY 10, 2018, 9:30 A.M. CT**

**Board  
Members:**

*Jeff Erickson*

*Dale Clement*

*Sharon  
Casey*

*John Calvin*

*Mike Luken*

*Red Husted*

*Don  
Lettinger*

*Pat  
Prostrollo*

*Tom Jones*

*Borbert  
Sebade*

*Reed Kessler*

*Pat Costello*

*Matt Judson*

*Non-Voting*

*Spencer  
Lawley*

*Billie Sutton*

*Lee Qualm*

*Blake Curd*

**Motion Sheet  
(STAFF RECOMMENDATIONS)**

**Agenda**

Motion to approve the agenda as presented.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Minutes**

Motion to approve the minutes of the meetings held June 12, 2018 and July 2, 2018, as presented.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Conflicts of Interest Disclosures**

**Public Comment Period**

**Clausen & Rice, LLP Accounting Contract**

Motion to approve the Clausen & Rice, LLP contract for accounting services as presented.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Treasurer Memo**

Motion to accept the appointment of Matt Judson as Treasurer of the Board of Economic Development.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Commissioners Comments**

**Executive Session**

Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Chairman: Declare board out of executive session. [        a.m.]. Chairman: The BED entered into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.**

**Motion to approve the chairman's report from executive session.**

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Loan Review Summary**

**Black Hills Fiberglass, LLC**

Motion to approve the loan review and recommendation as presented.

Please note times:

Call To Order: \_\_\_\_\_

Executive Session \_\_\_\_\_

Regular Session \_\_\_\_\_

Adjournment \_\_\_\_\_

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Old Business**

**Black Hills Fiberglass, LLC**

Motion to approve the extension of the maturity date to January 31, 2019.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Dak-Lan, LLC**

Motion to deny the release of a personal guarantor as presented.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**New Business**

**South Dakota Jobs Program**

**Masaba, Inc.**

Motion to approve the South Dakota Jobs grant application of Masaba, Inc. as recommended by staff.

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$24,000, but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved for Masaba Inc. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Reinvestment Payment Program**

**Applied Engineering, Inc.**

Motion to approve the Reinvestment Payment Application of Applied Engineering, Inc. as recommended by staff.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$141,832 but not to exceed the State Sales/Use Tax paid on eligible project costs, is approved for Applied Engineering, Inc. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Crocker Wind Farm, LLC**

Motion to approve the Reinvestment Payment Application of Crocker Wind Farm, LLC as recommended by staff.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$7,875,000 but not to exceed 75% of the State Sales/Use Tax paid on eligible project costs, is approved for Crocker Wind Farm LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Graco Minnesota, Inc.**

Motion to approve the Reinvestment Payment Application of Graco Minnesota, Inc. as recommended by staff.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$337,500 but not to exceed 50% of the State Sales/Use Tax paid on eligible project costs, is approved for Graco Minnesota, Inc. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Bills**

Motion to approve the bill payable to Moody's Analytics in the amount of \$4,038.48.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Adjourn**

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.



**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, SD  
TUESDAY, JULY 10, 2018, 9:30 A.M. CT**

**REGULAR SESSION AGENDA**

9:30 A.M. Call To Order, Chairman Jeff Erickson

9:35 A.M. **Agenda**  
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.

**Minutes**  
RECOMMENDED ACTION: Motion to approve the minutes of June 12, 2018 and July 2, 2018, as presented.

**Conflicts of Interest Disclosures**

**Public Comment Period**

**Clausen & Rice, LLP Accounting Contract**  
RECOMMENDED ACTION: Motion to approve the BankWest, Inc. Servicing Contract Amendment as presented.

**Treasurer Memo**  
RECOMMENDED ACTION: Motion to accept the appointment of Matt Judson as Treasurer of the Board of Economic Development.

**Monthly Financials**  
RECOMMENDED ACTION: No action taken.

9:55 A.M. Commissioner's Comments

10:05 A.M. **Executive Session**  
RECOMMENDED ACTION: Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance applicants.

10:55 A.M. **Report from Executive Session**  
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.

**Other Motions**

- Loan Review Summary
- Black Hills Fiberglass, LLC
- Dak-Lan, LLC
- South Dakota Jobs Program
- Masaba, Inc.
- Reinvestment Payment Program
- Applied Engineering, Inc.
- Crocker Wind Farm, LLC
- Graco Minnesota, Inc.

Bills

Moody's Analytics - \$4,038.48

Notice is further given to persons with disabilities that this meeting is being held in a physically accessible place. Please notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make the necessary arrangements.

Participation in the meeting can be at GOED at 711 E Wells Ave, Pierre, South Dakota, or the GOED office at the Zeal Center for Entrepreneurship at 2329 N. Career Avenue, Sioux Falls, South Dakota.





**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, JUNE 12, 2018, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Dale Clement, Sharon Casey, John Calvin, Ted Husted, Tom Jones, Pat Costello, Matt Judson, Spencer Hawley and Lee Qualm

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Cassidy Kulesa, LaJena Gruis, Dale Knapp, Mary Lehecka Nelson and Natalie Likness

Other Staff Present

Mike Bietz - BankWest, Inc.

Others Present

Bob Mercer

Call to Order

Chairman Jeff Erickson called the meeting to order at 9:32 a.m.

Agenda

A motion was made by Matt Judson and seconded by Don Kettering to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Dale Clement and seconded by John Calvin to approve the minutes of the meetings held May 8, 2018, May 31, 2018 and June 5, 2018, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Chairman Erickson opened the floor for board members to identify potential conflicts under SDCL Chapter 3-23. Matt Judson declared a potential conflict with Dak Pak, LLC due to banking relationships with First National Bank and Farmers and Merchants Bank. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from board members and no objection to proceeding with the agenda.

BankWest, Inc. Servicing Contract Amendment

A motion was made by John Calvin and seconded by Sharon Casey to approve the BankWest, Inc. Servicing Contract Amendment as presented.

Motion passed by a roll call vote.

Public Comment Policy

A motion was made by Don Kettering and seconded by Dale Clement to adopt the Public Comment Policy as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Sharon Casey and seconded by Ted Husted to enter into executive session at 9:50 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

### Executive Session Report

The Chairman declared the board out of executive session at 10:30 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Ted Hustead and seconded by Don Kettering to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

### Old Business

#### Rosebud Economic Development Corporation

A motion was made by Don Kettering and seconded by Sharon Casey to approve an extension of the grant agreement to October 11, 2018, retroactive to April 11, 2018 as recommended by staff and Grant Committee.

Motion passed by a roll call vote.

#### SD Sun I, LLC and SD Sun II, LLC

A motion was made by Dale Clement and seconded by John Calvin to approve changing the project owner to Black Hills Power, Inc.

Motion passed by a roll call vote.

### New Business

#### Dak Pak, LLC

A motion was made by Don Kettering and seconded by Sharon Casey to approve a waiver of a loan over \$1,000,000 and approve the loan request from Dak Pak, LLC in the amount of \$1,080,000. Secured by a shared first collateral position on the building and equipment, the personal guaranty of principals with 10% or more ownership and a corporate guaranty of Max One Nutrition, LLC.

The loans are approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote with Matt Judson abstaining.

#### Farmers Union Industries, LLC

A motion was made by Dale Clement and seconded by Tom Jones to approve a waiver of a loan over \$1,000,000 and approve the loan request from Farmers Union Industries, LLC in the amount of \$3,600,000. Secured by a sole first collateral position on real estate and a corporate guaranty of Farmer Union Enterprises.

The loans are approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

#### The Three Amigos, LLC

A motion was made by Ted Hustead and seconded by Matt Judson to approve the loan request from The Three Amigos, LLC in the amount of \$654,433. Secured by a shared first collateral position on real estate, the personal guaranties of principals associated with the operating companies and a corporate guaranty of Strategic Financial Group, LLC, Barefoot Ventures, LLC and Dakota Del Sur, LLC.

The loans are approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.  
Motion passed by a roll call vote.

Economic Development Partnership Program  
City of Freeman

A motion was made by Sharon Casey and seconded by Matt Judson to deny as recommended by staff and Grant Committee.  
Motion passed by a roll call vote.

Local Infrastructure Improvement Program  
Grant County Development Corporation

A motion was made by Don Kettering and seconded by Dale Clement to deny as recommended by staff and Grant Committee.  
Motion passed by a roll call vote.

Edmunds County and White Rock Township

A motion was made by Don Kettering and seconded by Matt Judson to approve as recommended by staff and Grant Committee.

Edmunds County

Approve a Local Infrastructure Improvement grant award to Edmunds County in the amount of \$375,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

White Rock Township

Approve a Local Infrastructure Improvement grant award to White Rock Township in the amount of \$25,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

Reinvestment Payment Program  
Prevailing Wind Park, LLC

A motion was made by Ted Hustead and seconded by Matt Judson to approve the Reinvestment Payment Application of Prevailing Wind Park, LLC as recommended by staff.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$4,329,410 but not to exceed 65 percent of State Sales/Use Tax paid on eligible project costs, is approved for Prevailing Wind Park, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

Willow Creek Wind Power, LLC

A motion was made by Sharon Casey and seconded by Dale Clement to approve the Reinvestment Payment Application of Willow Creek Wind Power, LLC as recommended by staff.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$3,800,250 but not to exceed the State Sales/Use Tax paid on eligible project costs, is approved for Willow Creek Wind Power LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07

Motion passed by a roll call vote.

Adjourn

A motion was made by Dale Clement and seconded by Matt Judson to adjourn the meeting at 10:40 a.m.

Motion passed by a roll call vote.

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Dale Clement, Secretary

**CREDIT COMMITTEE  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
MONDAY, JULY 2, 2018, 1:00 P.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Don Kettering and Norbert Sebade

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore and Cassidy Kulesa

Other Staff Present

Sam Helma and Mike Bietz - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:02 p.m.

Agenda

A motion was made Don Kettering and seconded by Norbert Sebade to approve the agenda as presented.

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. There were none from committee members and no objection to proceeding with the agenda.

Public Comment Period – none.

Executive Session

A motion was made by Dale Clement and seconded by Don Kettering to enter into executive session at 1:04 p.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the Credit Committee out of executive session at 1:20 p.m. The Chairman reported that the Board of Economic Development Credit Committee entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Norbert Sebade and seconded by Don Kettering to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review

Black Hills Fiberglass, LLC

Credit Committee recommends to the Board to accept the loan review and recommendation as presented.

A motion was made by Dale Clement and seconded by Don Kettering.

Old Business

Black Hills Fiberglass, LLC

Credit Committee recommends to the Board approving the maturity date extension as presented.

A motion was made by Norbert Sebade and seconded by Dale Clement.

Motion passed by a roll call vote.

Dak-Lan, LLC

Credit Committee recommends to the Board denying the request as presented.

A motion was made by Don Kettering and seconded by Dale Clement.

Motion passed by a roll call vote.

Adjourn

A motion was made by Dale Clement and seconded by Don Kettering to adjourn the meeting at 1:24 p.m.

Motion passed by a roll call vote.

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Dale Clement, Secretary



**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND  
FINANCIAL REPORT  
(Compiled)  
May 31, 2018**



## CONTENTS

	<u>Page</u>
<b>ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4
<b>ADDITIONAL LOAN INFORMATION - REDI</b>	5-6
<b>ADDITIONAL LOAN INFORMATION - SOUTH DAKOTA JOBS</b>	7

# Clausen & Rice, LLP

Certified Public Accountants and Business Consultants

**John E. Clausen, CPA**

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**Daniel T. Rice, CPA**

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## Accountant's Compilation Report

To the Board of Directors  
South Dakota Revolving Economic Development and Initiative Fund  
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Revolving Economic Development and Initiative Fund (an Enterprise Fund of the State of South Dakota) as of May 31, 2018, and the related statements of revenues, expenses and changes in net assets and cash flows for the eleven months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Entity's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on pages 5 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to South Dakota Revolving Economic Development and Initiative Fund.

*Clausen & Rice, LLP*

Pierre, South Dakota  
June 29, 2018

**SOUTH DAKOTA REVOLVING**  
**ECONOMIC DEVELOPMENT AND INITIATIVE FUND**  
**STATEMENT OF NET ASSETS**

**May 31, 2018**

**See Accountant's Compilation Report**

**ASSETS**

Cash and Investments-Unrestricted	\$52,102,829
Cash and Investments-Designated for Approved REDI Loans	20,669,370
Cash-SD Jobs	<u>2,068,039</u>
Total Cash and Investments	\$74,840,238
Accounts Receivable-Bankwest	28,327
Loans Receivable - REDI, net of allowance of \$874,193	39,743,876
Loan Interest Receivable	74,159
Net Pension Asset	0
Equipment	0
Due From Other Funds	0
Investment Income Receivable	<u>1,689,768</u>

**TOTAL ASSETS** \$116,376,368

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows of Resources Related to Pensions	<u>128,507</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>128,507</u>

**LIABILITIES**

Accounts Payable	\$11,179
Wages and Benefits Payable	\$27,443
Accrued Leave Payable	\$25,121
Net Pension Liability	\$52,408
Due To Other Funds	<u>\$8,279</u>

**TOTAL LIABILITIES** \$124,430

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows of Resources Related to Pensions	<u>858</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>858</u>

**NET POSITION**

Investment in Capital Assets	0
Unrestricted	<u>116,379,587</u>

**TOTAL NET POSITION** \$116,379,587

**TOTAL LIABILITIES AND NET POSITION** \$116,504,875

**SOUTH DAKOTA REVOLVING**

**ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**For the Month Ending May 31, 2018**

**See Accountant's Compilation Report**

	<u>Current Period</u>	<u>Year to Date</u>
<b>OPERATING REVENUE</b>		
Interest Income on Loans - REDI	\$61,474	\$644,840
Ethanol Income - REDI	0	0
Other Income - REDI	9,289	59,172
Building South Dakota Income	0	87,462
<b>LESS OPERATING EXPENSES</b>		
Administrative Expenses	58,509	610,514
Bad Debt Expense	2,743	(65,243)
Other Expenses	404	14,012
Building South Dakota Grants	<u>0</u>	<u>6,345</u>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	\$9,107	\$225,846
<b>NONOPERATING REVENUE</b>		
Investment Income	<u>152,562</u>	<u>1,712,247</u>
<b>CHANGE IN NET POSITION</b>	\$161,669	\$1,938,093
<b>NET POSITION, BEGINNING</b>	116,217,918	114,441,494
Prior period Adjustment	<u>0</u>	<u>0</u>
<b>NET POSITION, ENDING</b>	<u><u>\$116,379,587</u></u>	<u><u>\$116,379,587</u></u>

**SOUTH DAKOTA REVOLVING**  
**ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

**STATEMENT OF CASH FLOWS**

**For the Month Ending May 31, 2018**

**See Accountant's Compilation Report**

	Current Period	Year to Date
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Position	\$161,669	\$1,938,093
Adjustments to Reconcile Net Income to		
Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Accounts Receivable - Bankwest	0	0
(Increase) Decrease in Loans Receivable - REDI	(461,637)	(2,726,337)
(Increase) Decrease in Loan		
Interest Receivable	(4,901)	(44,765)
(Increase) Decrease in Loans Receivable - VASF	0	0
(Increase) Decrease in Equipment	0	0
(Increase) Decrease in VASF Fuel Tax		
Revenues Receivable	0	0
(Increase) Decrease in Investment		
Income Receivable	(152,562)	(781,944)
(Increase) Decrease in Due From Other Funds	0	0
(Increase) Decrease in Other Assets	0	0
Increase (Decrease) in Accounts Payable	0	0
Increase (Decrease) in Wages Payable	0	0
Increase (Decrease) in Accrued Leave Payable	0	0
Increase (Decrease) in Grants Payable	0	0
Increase (Decrease) in Due To Other Funds	0	0
	(\$457,431)	(\$1,614,953)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Prior Period Adjustment	0	0
	(\$457,431)	(\$1,614,953)
<b>NET INCREASE IN CASH AND INVESTMENTS</b>		
<b>CASH AND INVESTMENTS - BEGINNING</b>	75,297,669	76,455,191
<b>CASH AND INVESTMENTS - ENDING</b>	\$74,840,238	\$74,840,238

**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

**ADDITIONAL LOAN INFORMATION - REDI**

**For the Month Ending May 31, 2018**

**See Accountant's Compilation Report**

**REDI LOANS APPROVED, NOT ADVANCED**

<u>Company Name</u>	<u>Approval Date</u>	<u>Loan Amount</u>
Applied Engineering, Inc.	03/14/2017 & 07/11/2017	\$ 1,122,600
Tower Properties, LLC	6/13/2017	\$ 1,537,500
Century Custom Molding, Inc.	7/11/2017	\$ 520,000
Vantage Point Solutions, Inc.	7/11/2017	\$ 1,350,000
O'Conner Kiln and Dryer, Inc.	8/8/2017	\$ 440,196
JMo Holdings, Inc.	9/12/2017	\$ 3,600,000
Vermillion Area Chamber of Commerce and Devp.	9/12/2017	\$ 1,696,500
Fiedler Holding, LLC	10/24/2017	\$ 1,152,338
Harvard Integrations, LP	11/14/2017	\$ 1,332,800
Harvard Integrations, LP	11/14/2017	\$ 600,000
Acquisition Group III, LLC	2/13/2018	\$ 3,099,384
Intrinsic Materials Corp.	2/13/2018	\$ 1,131,750
Intrinsic Materials Corp.	2/13/2018	\$ 2,546,302
Masaba, Inc. *	5/8/2018	\$ 540,000
<b>Total</b>		<b><u>\$ 20,669,370</u></b>

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING	May	Advanced Date	Loan Amount
<u>Company Name</u>			
LD Development, LLC		5/7/2018	\$170,000
LD Development, LLC		5/21/2018	\$256,500
Omega Liner Company, Inc.		5/16/2018	\$502,367
			<u>\$928,867</u>

REDI LOANS PAID OFF, DURING	May	Pay-off Date	Original Loan Amount
<u>Company Name</u>			
None			

REDI LOANS WROTE OFF, DURING	May	Wrote-off Date	Amount Wrote-off
<u>Company Name</u>			
None			

REDI LOANS WITHDRAWN, DURING	May	Withdrawal Date	Withdrawn Amount
<u>Company Name</u>			
None			

**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

**ADDITIONAL LOAN INFORMATION - SDJP**

**For the Month Ending May 31, 2018**

**See Accountant's Compilation Report**

**SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE**

Dedicated SDJP Fund Cash and Investments Balance	4/30/2018	\$2,068,039
Plus: Investment Council Interest		0
South Dakota Jobs		0
		0
Less:		0
		0
		0
Dedicated SDJP Fund Cash and Investments Balance	5/31/2018	<u>\$2,068,039</u>

**SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED**

**RESTRICTED**

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Applied Engineering, Inc.	3/14/2017	39,801	\$39,801 Authorized \$0 Disbursed
Omega Liner Company, Inc.	3/14/2017	90,000	\$90,000 Authorized \$0 Disbursed
VRC Metal Systems, LLC	9/12/2017	45,000	\$45,000 Authorized \$0 Disbursed
Century Custom Molding, Inc.	10/24/2017	76,500	\$76,500 Authorized \$0 Disbursed
Specialized Machine, LLC	12/12/2017	0	\$6,345 Authorized \$6,345 Disbursed
True North Steel, Inc.	4/10/2018	26,257	\$26,257 Authorized \$0 Disbursed
		<u>\$277,558</u>	

**UNRESTRICTED**

Total South Dakota Jobs Program Cash and Investments	\$2,068,039
Less Cash and Investments-Restricted for Approved Loans/Grants	\$277,558
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$1,790,481</u>





STATE OF SOUTH DAKOTA  
CONSULTING CONTRACT

AGREEMENT made and entered into this \_\_\_ day of June, 2018 by and between the State of South Dakota, Governor's Office of Economic Development, a state agency, of 711 E Wells Ave., Pierre, SD 57501, (the "State") and Clausen and Rice, LLP, 430 West Sioux Ave, PO Box 1117, Pierre, SD 57501(the "Consultant").

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will perform services for the State as follows: prepare monthly financial statements, assist in the fiscal year-end accounting, and provide financials to the Department of Legislative Audit for the SD Board of Economic Development's annual audit (BED). Consultant will also prepare quarterly financial statements for the grant programs administered under BED.

2. The Consultant's services under this Agreement shall commence on July 1, 2018, and end on June 30, 2019, unless sooner terminated pursuant to the terms hereof.

3. The Consultant will not use State equipment, supplies or facilities. The Consultant will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.

4. The State will make payment for services to be paid upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$21,500. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

6. The Consultant, at all times during the term of this Agreement, shall obtain and maintain in force applicable insurance coverage of the types as follows:

A. Commercial General Liability Insurance: The Consultant shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$250,000 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Worker's Compensation Insurance: The Consultant shall procure and maintain workers' compensation and employers' insurance as required by South Dakota law.

Before beginning work under this Agreement, Consultant shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or non-renewal of the policy, the Consultant agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Consultant shall furnish copies of insurance policies if requested by the State.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

No party shall be liable for a delay in performance or failure to perform its obligations under this Agreement if such delay or failure is due to acts of God or any other event beyond the control of the parties, including, without limitations, fire, explosion, weather, disease, war, insurrection, civil strife, riots, government action or power failure, provided, however, that the party who is unable to perform resumes performance as soon as possible following the end of the event causing the delay.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature

fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

11. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Consultant hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Consultant in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Consultant without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.

16. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Scott Stern on behalf of the State, and by John Clausen, on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

17. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

18. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

19. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

STATE

CONSULTANT

BY: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

- State Agency Coding (MSA Center):
- State Agency MSA Company for which contract will be paid:
- Object/subobject MSA account to which voucher will be coded:
- Name and phone number of contact person in State Agency who can provide additional information regarding this contract: Cassie Stoesser 605-773-5195



**Memorandum**

Date: July 10, 2017  
To: Board of Economic Development  
From: Cassie Stoesser, Director of Finance  
Re: Treasurer Appointment

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The Chair has appointed Matt Judson as the Treasurer of the Board of Economic Development. Pursuant to administrative rule 68:02:01:56, "The chair shall appoint and may remove the members of committees established by the board;" however the Board has traditionally taken formal action to accept the chair's appointment of an officer.

**Recommendation**

Accept the appointment of Matt Judson as Treasurer of the Board of Economic Development.





**Board of Economic Development  
July 10, 2018**

**BILLS REQUIRING APPROVAL FOR PAYMENT**

Moody's Analytics	\$4,038.48	Annual Fee for Software
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Taxpayer ID: 13-3851829  
Canadian GST/HST: 806-27-1466 RT001  
Page: 1 of 2

**Invoice**

**Bill to Customer:**  
Governor's Office of Economic Development  
Cassie Stoesser  
711 E Wells Ave  
Pierre, SD 57501-3398

**Ship To Customer:**  
Governor's Office of Economic Development  
Cassie Stoesser  
711 E Wells Ave  
Pierre, SD 57501-3398

**Contract Number:** 2018000637656  
**PO Number:** Not Applicable  
**Customer Number:** 2000002241

**Invoice No:** US00022931  
**Invoice Date:** 06/25/2018  
**Terms:** Due in 30 days

Description	Effective Date	Amount
Products / Service Total	Jun 30 2018 through Jun 29 2019	3,792.00
	Sales Tax	246.48
<b>TOTAL AMOUNT DUE:</b>		<b>USD 4,038.48</b>

For billing questions, please call Collections Team at Fax No: Not Applicable  
Email: MACollections@moodys.com

Keep this portion for your records

Return this portion with your remittance

**Invoice Number:** US00022931  
**Contract Number:** 2018000637656  
**PO Number:** Not Applicable  
**Customer Number:** 2000002241

**AMOUNT DUE: USD 4,038.48**

**Make check payable to:**  
Moody's Analytics, Inc.  
P.O. Box 116714  
Atlanta, GA 30368-0597

**Wire payment with invoice number:**  
SunTrust Bank  
245 Peachtree Center Avenue, Atlanta  
GA 30303  
Transmit Routing#: 061000104  
Swift Code: SNTRUS3A  
Account Name: Moody's Analytics, Inc.  
Account Number: 8800745328

Please disregard if payment has already been made.

## Invoice Detail

Governor's Office of Economic Development

**Contract Number:** 2018000637656  
**PO Number:** Not Applicable  
**Customer Number:** 2000002241

**Invoice No:** US00022931  
**Invoice Date:** 06/25/2018  
**Terms:** Due in 30 days

QTY	# of Users	Product	Delivery Method	State/Country Code	Amount	Tax Rate	Tax
1	5	RiskAnalyst (SAM)	SUP-SPE	SD	3,792.00	6.5%	246.48
<b>TOTAL:</b>					USD 3,792.00		246.48

Use Remittance Stub on Page 1 for payment.